

11 February 2019

UP Global Sourcing Holdings plc
“Ultimate Products” or “the Group”

TRADING UPDATE AND NOTICE OF RESULTS

H1 FY19 underlying revenue up 20.8%, driven by broad based growth

Current trading ahead of expectations

Ultimate Products, the owner, manager, designer and developer of an extensive range of value-focused consumer goods brands, announces the following trading update for the six months ended 31 January 2019 (“the period”).

Financial overview

- Unaudited Group revenues increased by 36.0% (£17.4m) to £65.8m (H1 2018: £48.4m), driven by good growth across each of the Group’s four strategic pillars – i.e. discounters, UK supermarkets, online platforms and international customers
- In addition, the Group’s revenue performance from H1 FY18 to H1 FY19 benefitted from the following one-off factors:
 - As reported previously, revenue in the prior period (H1 FY18) was reduced by approximately £4.5m as a result of the one-off timing impact of a key European customer moving from Free on Board to Landed arrangements
 - The earlier timing of Chinese New Year in 2019, which has pulled forward approximately £1.9m of revenue from H2 FY19 into H1 FY19
- Allowing for the above one-off factors, the underlying growth in revenues from H1 FY18 to H1 FY19 was 20.8%
- International business continues to grow and accounted for 40% of the Group’s revenue in H1 FY19 (H1 FY18: 20%)
- The Group maintains comfortable levels of funding headroom, with headroom at 31 January 2019 of £10.5m (31 July 2018: £9.1m; 31 January 2018: £8.0m)

Current trading and outlook

The positive momentum that the Group referenced in its Trading Update of 7 January 2019 has continued, with stronger than expected revenue growth across each of its four strategic pillars (i.e. discounters, UK supermarkets, online platforms and international customers).

As a result, and notwithstanding the higher overhead costs associated with servicing the increased revenue and the investment in the growth of the international business, the Group now anticipates that its EBITDA performance in FY19 will be above the market’s current expectations.

The Group continues to assess the implications of a ‘no-deal’ Brexit and the potential impact on volumes and margins if it led to a material devaluation in Sterling. However, in the longer term, the Board is confident in the adaptability and resilience of the Group’s business model, as evidenced by the strong recovery in trading in H1 FY19 despite a challenging consumer and retail market.

Notice of Results

The Group intends to announce its interim financial results on 29 April 2019.

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014.

Notes to Editors

Ultimate Products is an owner, manager, designer and developer of a series of well-known brands focused on the home, selling to over 300 retailers across 36 countries. It has six product categories: Audio; Heating and Cooling; Housewares; Laundry; Luggage; and Small Domestic Appliances. Its brands include Beldray (laundry, floor care, heating and cooling), Intempo (audio), Salter (kitchenware), Constellation (luggage), and Progress (cookware and bakeware).

The Group's products are sold to a broad cross-section of both large national and international multi-channel retailers as well as smaller national retail chains, incorporating discount retailers, supermarkets, general retailers and online retailers.

Founded in 1997, Ultimate Products is headquartered in Oldham, Greater Manchester, where it has design, sales, marketing, buying, quality assurance, support functions and warehouse facilities across two sites. Manor Mill, the Group's head office, includes a spectacular 20,000 sq ft showroom that showcases each of its brands. In addition, the Group has an office and showroom in Guangzhou, China and a recently established showroom in Cologne, Germany. In total, Ultimate Products now employs over 250 staff. For further information, please visit www.upgs.com